

108TH CONGRESS  
1ST SESSION

# H. R. 1327

To amend the Internal Revenue Code of 1986 to exempt certain activities at the State level from the denial of the deduction for lobbying expenditures.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 18, 2003

Mr. SAM JOHNSON of Texas introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to exempt certain activities at the State level from the denial of the deduction for lobbying expenditures.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. CERTAIN ACTIVITIES AT STATE LEVEL EXEMPT**  
4                       **FROM DENIAL OF DEDUCTION FOR LOB-**  
5                       **BYING EXPENDITURES.**

6       (a) IN GENERAL.—Subsection (e) of section 162 of  
7       the Internal Revenue Code of 1986 (relating to denial of  
8       deduction for certain lobbying and political expenditures)  
9       is amended by redesignating paragraphs (3) through (8)

1 as paragraphs (4) through (9), respectively, and by insert-  
2 ing after paragraph (2) the following new paragraph:

3           “(3) EXCEPTION FOR CERTAIN ACTIVITIES ON  
4       THE STATE LEVEL.—For purposes of this sub-  
5       section, the term ‘influencing legislation’ does not in-  
6       clude service (where such service would otherwise  
7       constitute the influencing of legislation) on any  
8       board, commission, or similar body appointed by any  
9       State governmental body.”

10       (b) EFFECTIVE DATE.—The amendment made by  
11 this section shall apply to taxable years beginning after  
12 the date of the enactment of this Act.

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